BLS regional offices: 50 years of Federal-State cooperation

Since 1942, regional offices of the Bureau of Labor Statistics have been the linchpin in promoting and carrying out Federal-State cooperative arrangements; regional office personnel have played diverse roles, from assisting with surveys and new technology to training State staffs

Joseph W. Hines
and
Gunnar Engen

The 50th anniversary of the establishment of the BLS regional offices is a good time to look back on the evolution of cooperation between the Bureau and the State employment security agencies on employment and unemployment statistics. It is a good time as well to take note of BLS-State cooperation in regard to occupational safety and health statistics and to assess the contributions of regional office staff in both of these areas. During the past 50 years, these Federal-State programs have gradually expanded from a few surveys in manufacturing and mining to complex systems that often provide extensive geographic and industrial information. Their current emphasis is on improving the quality and reliability of the data they present. The efforts of the regional offices have been central to the success of this Federal-State cooperation.

Carroll D. Wright, the first BLS Commissioner, sought to obtain cooperative arrangements with State labor agencies as early as 1885. He envisioned a nationwide network of collaborating State and Federal agents. " 'A powerful chain of investigators,' he called it. He planned, he said in 1885, to ask Congress to authorize a system whereby the Federal Bureau could compensate State agencies for their assistance and to allow the Federal Bureau to place agents in States without bureaus."[1]

Early Federal-State cooperation

It was 1916, however, when New York State became the first State to enter into an agreement with BLS to collect and share payroll employment information for several manufacturing and mining industries. The preceding year, the Bureau had begun a monthly mail survey to collect payroll employment data from businesses and compile statistics for a limited number of manufacturing and mining industries. Agreements to collect and share establishment employment data were reached with Wisconsin in 1920 and with Illinois in 1922. By October 1928, it was reported that "The Bureau of Labor Statistics cooperates with the State Labor Departments in seven States."[2] By 1935, 12 States were participating in the collection of employment data, and the figure rose to 17 in 1939.[3]

When States began to identify a need for State- and area-level employment statistics, concern about duplication of reporting and the associated burden on respondents provided an impetus for developing cooperative Federal-State arrangements.[4] In addition, the opportunity to achieve consistency between State-to-State and national employment statistics was appealing to researchers.

Setting the stage for expansion

Temporary regional offices were established early in World War II (1941–42) to assist the Office of Price Administration and the National War Labor Board.[5] The regional offices were consolidated and regional directors appointed in 1944. The regional offices achieved permanent status in 1945 and were assigned the responsibility of working with the cooperating State agencies. An employ-

Joseph W. Hines is a senior economist in the Office of Field Operations, Bureau of Labor Statistics. Gunnar Engen is Regional Commissioner, Kansas City Regional Office, Bureau of Labor Statistics.

ment analyst was assigned to each office in 1947.

At the beginning of the post-World War II period, the Bureau of Labor Statistics and the Bureau of Employment Security (a predecessor of the Employment and Training Administration in the Department of Labor) reached an agreement to sponsor jointly a nationwide system of State- and area-level employment statistics through arrangements with State employment security agencies. These were the agencies that administered State unemployment insurance systems and State employment services. Each of the two Federal bureaus was to provide half of the necessary resources to the cooperating State agencies, with the Bureau of Employment Security having administrative responsibility and BLS technical responsibility for the program. The State- and area-level statistics program would provide data needed for planning by the State employment services and unemployment insurance systems. It would also provide basic indicators of economic activity for the subnational areas within its purview. The payroll employment data collected from business establishments by the States would be used by the Washington office of BLS in preparing establishment employment estimates for the Nation.

The BLS regional offices immediately set about working out cooperative arrangements with additional States. During the 1946–1949 period, 32 States entered into cooperative arrangements.[6] Although it had taken 29 years to develop such arrangements with one-third of the States, with a new regional office system and a financial agreement between BLS and the Bureau of Employment Security, the remaining two-thirds joined within 4 years.

The Employment Statistics Survey

Regional employment analysts assisted in the transfer of the national employment statistics sample to the States. They guided State staffs in the expansion of the sample to support State- and area-level statistics. They also helped the State staffs compile benchmarks or universe counts to establish employment levels using unemployment insurance tax reports, supplemented by data from other sources (including surveys of employers in some sectors). In addition, regional employment analysts worked with States to institute uniform data review and editing procedures and advised on estimation to develop a consistent approach from State to State.

The decade of the 1950's was a period of improvement and expansion in establishment employment statistics. Procedures and techniques were refined. Systematic review and follow-up with respondents resulted in improved data and more complete reporting of the requested items: employment, payroll, and hours. Larger samples made possible increased industrial and geographic detail. In turn, with better data and larger samples, States were able to publish statistics on average hours and average earnings of production workers, as well as employment estimates.

The Bureau responded to a growing interest in local labor market information by shifting a national labor turnover statistics survey to the States in 1956. Regional analysts assisted States in expanding samples to support State-level data and taught standardized data review procedures and estimation techniques to the State staffs.

Responsibility for the collection and publication of statistics on State and local government employment was transferred from the Bureau of the Census to the Bureau of Labor Statistics in 1955. State samples had to be expanded to support State- and area-level statistics. In order to evaluate the quality of the data collected, regional offices visited respondents and conducted response analysis surveys. Respondents to the employment survey were interviewed in 1955, respondents to the labor turnover survey in 1956.

The impact of new ideas in the 1960's

The 1960's brought increased interest in the workings of the labor market and an expanded demand for information on the market, particularly at the local level. It was a time of new ideas that led to experimentation with new surveys. Experimentation with the collection of data on job vacancies began in mid-decade. Regional offices conducted a series of pilot surveys in 20 cities designed to evaluate definitions, different collection forms, and acceptance of the survey by respondents.[7]

During the period from July 1968 through June 1969, BLS regional offices and the Census Bureau surveyed slum areas in six large cities. These Urban Employment Surveys were designed as pilot studies to provide information on urban social problems.

The Vocational Education Act of 1963 called for information on future occupational requirements for use in planning education and training programs. BLS responded by developing a methodology for making occupational employment projections at the State level.[8] Regional office staff provided advice to State employment security agencies on the use of this methodology. At the end of the decade, the regional offices experimented with collecting employment information classified by occupation from samples of employers visited by regional staff.

While the experimental activities were going on, regional staff continued to work with cooper-

ating State agencies. Together, they improved the coverage of the sample, quality of the data, and reliability of the estimates in the employment and labor turnover surveys.

Expansion of responsibilities

The outgrowth of the experimentation with job vacancy data was a decision to integrate the collection of those data with the collection of labor turnover statistics. A survey was inaugurated in 1969 to collect both types of data monthly in large metropolitan areas. However, the survey proved to be difficult to initiate and maintain, and the statistics were not used as extensively as had been anticipated. Consequently, the collection of job vacancy data was terminated in 1974.

The analytical and experimental work on occupational employment led to the establishment of a mail survey in 1971 in cooperation with the State employment security agencies. The program started in a limited number of States and gradually expanded coverage until 48 States were covered by 1982.

The BLS role in labor market information was rounded out in November 1972, when Secretary of Labor T. D. Hodgson transferred technical responsibility for the Manpower Administration's labor market information programs, which were conducted in cooperation with the State employment security agencies, to the Bureau. These programs produced (1) estimates of labor force, employment, and unemployment in local areas and States; (2) a quarterly report of employment, wages, and contributions; (3) occupational projections; and (4) characteristics of the insured unemployed. The memorandum of agreement between the Manpower Administration and the Bureau stated that "It is hoped that the centralization of these programs [in BLS] will afford us a better opportunity to work together to improve technical aspects of the system, the quality of data and the timeliness of the information outputs to all the users of these data."[9]

With the assumption of technical responsibility for local area unemployment statistics, the Bureau undertook an extensive research effort to improve the methodology. The use of local unemployment data for allocating Federal grants to States and localities was mandated by the Comprehensive Employment and Training Act of 1973 and related legislation. Hence, it was necessary that these statistics be constructed to maximize comparability from place to place. Regional staff assisted the States in implementing the new methodology and subsequent improvements arising out of ongoing BLS research. In addition, regional staff helped States respond to the many questions resulting from changes in these sensitive local economic indicators and fund allocators.

At the national level, establishment employment statistics were becoming of increasing importance as the economy came under closer and closer scrutiny. This importance intensified even further with the onset of the 1974–75 recession. The focus of interest centered on the first, preliminary employment estimate each month. The Bureau responded by taking steps to improve the sample for the preliminary estimate. In this, BLS had the critical support of the cooperating State agencies that collected, reviewed, and transmitted the sample data to the national office. BLS regional staff worked with the States on procedures to speed up the collection, processing, and transmission of data. By the end of the 1970's, the Bureau had established the capability of obtaining sample employment data from the States electronically. Regional staffs provided technical assistance to the States to enable them to switch to telecommunicating data and have provided ongoing assistance to maintain an effective network.

The BLS labor market information programs were under budgetary pressure during most of the last part of the 1970's and in the early 1980's. The Bureau's responsibility to compile and disseminate information on the characteristics of the insured unemployed was never fully implemented. The joint work on occupational employment projections with the State employment security agencies was dropped after priorities were weighed. Similarly, the labor turnover statistics program was discontinued in 1982 under budgetary pressure. The quarterly report on employment, wages, and contributions continued in a maintenance mode, although it was recognized that it had serious problems with quality.

Labor market information

The Wagner-Peyzer Act of 1933 mandated that States conduct labor market research, with funding and oversight authority assigned to the U. S. Department of Labor. In 1983, the Employment and Training Administration, successor agency to the Manpower Administration, which, in turn, had replaced the Bureau of Employment Security, transferred full responsibility for planning, managing, and funding three programs—the business employment survey; the estimates of labor force, employment, and unemployment in local areas and States; and occupational employment statistics—to the Bureau of Labor Statistics. Three years later, funding and management authority for the quarterly report on employment, wages, and contributions was also transferred to BLS. Thus, the Bureau, which, in 1972, had acquired technical responsibility for the labor market information programs conducted by State employment security

agencies, became fully responsible for the programs in the mid-1980's.

To fund the Federal-State statistical programs, the Bureau, beginning with fiscal year 1984, used a type of grant, termed a *cooperative agreement*, that is designed for funding joint endeavors. The regional offices were assigned responsibility for the administration of the cooperative agreements with the State employment security agencies, and the regional commissioners were designated grant officers. The assistant regional commissioners for Federal-State programs were given direct responsibility for both the administrative and technical work with the States. The regional offices negotiated initial cooperative agreements with the States in 1983 and have renegotiated them every year since then. Financial management of the cooperative agreements, including monitoring them, has been an ongoing regional activity.

Change from rising expectations

The Bureau's assumption of full responsibility for labor market information statistics ushered in a period of change for these employment and unemployment measures that is scheduled to continue into the next century. BLS and associated State agencies are responding to the long-term increasing trend in the use of these data and the rising expectations of users regarding the data's accuracy and comprehensiveness. The result has been intensified research and an emphasis on quality control and quality enhancement.

A major focus of these efforts is improving the quality of the quarterly employment and wages information that is compiled from employer unemployment insurance tax filings. Special attention is being directed toward improving the quality of information on industrial classification and location for establishments. A companion effort is the development of a list of business establishments from the improved file, to be used as a sampling frame for a number of major BLS surveys.

The Bureau contracted with the Utah State agency to develop and maintain a computer system for States to use to process information on employment and wages. The system is being adopted by most States. It provides processing efficiencies, incorporates the latest methodological advances, and affords a way for States to keep up with technical changes in the employment and wages program.

The information compiled from employer unemployment insurance tax filings is utilized in a number of widely used economic indicators, either as an important data base or as a sampling frame. Thus, the quality improvement work that is underway has a considerable impact.

The role of the regional offices in this effort has been crucial. Since the mid-1980's, regional staff have worked intensively with States to institute a series of technical improvements to the files compiled from unemployment insurance tax records. Among these improvements are new data review procedures, a continuing 3-year survey of industrial activity to enhance industry classification, upgraded data collection procedures for multiunit firms, and the addition of informational items to improve the file for use as a sampling frame. Regional staff have installed the computer system in States and provided continuing assistance on its use.

Because local area unemployment statistics are used to allocate Federal training funds, demand for these statistics is high. Further, interest has intensified in their use as State and area economic indicators. Accordingly, BLS has maintained a continuing program of research on the methodology used to produce such statistics. As a result of this research, since the mid-1980's, the regional offices have introduced to the States a revised estimation model, seasonal adjustment of data, and a comprehensive computer system for calculating the statistics. Regional staff provide the States with ongoing advice on and assistance with the operation of the computer system and the use of the estimation model.

A new development in occupational employment statistics is the collection of information on occupational wage rates, along with that on occupational employment. Regional staff have worked for several years with a limited number of States that have volunteered to test this approach to obtaining information on occupational wages.

It is in the business employment survey, however, where expectations of users have risen the most. To meet those rising expectations, BLS research has focused on advanced techniques of collecting the data. The survey has been studied to identify improvements for 20 years, with the initial payoff having been the successful effort to increase the sample for the first estimate. Research intensified after BLS was assigned full responsibility for the program in the mid-1980's. Following extensive research into the collection of data by computer-assisted telephone interviewing and by touchtone data entry, substantial numbers of respondents are now being converted to these methods. It has been discovered that the use of such methods for collecting employment, payroll, and hours data can improve both the timeliness and quality of the information. Work is also progressing on improving benchmarks for the national, State, and local employment series.

The Bureau contracted with the Iowa agency to develop a computer system to process the employment survey for States. The adoption of this sys-

tem by 30 States by 1991 improved the efficiency and technical sophistication of the survey in most cases. The system, which is maintained for BLS by the Iowa agency, allows all States that use it to stay up to date with the latest technical improvements and ensures that the best techniques are used.

The regional offices have also played a crucial role in the ongoing restructuring of the employment survey. Regional staff have installed the new computer system in the States, have provided extensive training and technical assistance in helping States utilize electronic collection methodology, and have worked closely with State staffs in analyzing employment levels and trends. This work has been performed in addition to regular training and technical assistance activities.

Occupational safety and health statistics

The Bureau began to give attention to industrial accidents and diseases in the years preceding World War I. A number of studies were done on work-related injuries in specific industries and on individual industrial diseases. Beginning in 1910, an annual report on accident rates in the iron and steel industry was issued. A few years later, the Bureau established cooperative arrangements for reporting accidents with the States of Massachusetts, Ohio, and New York.

In 1926, BLS began an annual survey of occupational injuries in a group of manufacturing industries. The survey was based on records from several States, supplemented by reports from establishments. In succeeding years, the survey expanded to cover all manufacturing and mining industries. Annual reports on the frequency and severity of industrial injuries were issued. The States cooperating in the work injury program did not receive funding from the Bureau; however, they received supplies of standard BLS data collection forms and data review instructions. The number of cooperating States increased gradually; by 1970, 14 states were participating.

The Occupational Safety and Health Act was enacted in December 1970 and significantly changed the need for statistical information. The Act provided for a Federal-State statistical program, to be directed by BLS. Participating State agencies, designated by the State Governor, would receive 50-percent Federal funding and 50-percent State funding. The Act mandated that businesses keep records of occupational injuries and illnesses and report them, when required, to BLS or the cooperating State agencies. Initially, BLS was assigned responsibility for the recordkeeping system, as well as the statistical survey.

In 1971, regional offices were faced with the major undertaking of contacting the designated State agencies, negotiating grants, and beginning to work with them on initiating a new survey designed to measure the incidence rates and lost workdays associated with workplace injuries and illnesses. In addition, regional offices had to make businesses aware of a new required recordkeeping system for occupational injuries and illnesses and had to advise them on its use. For several years, much time and effort on the part of the regional offices went into giving seminars on recordkeeping for business personnel and responding to their questions and concerns regarding the new system.

To obtain more detailed information on the causes, nature, and sources of occupational injuries, as well as on the parts of the body affected, a supplementary data system was developed to extract information from worker's compensation records. Beginning in 1976, States participated in this endeavor on a matching funds basis. Because of scarcities in State funding, however, not all States were able to participate in either the annual survey or the supplementary data system. The latter was discontinued in 1989, and the Bureau's recordkeeping responsibilities were transferred to the Occupational Safety and Health Administration in 1991.

BLS is currently restructuring the safety and health statistics program. A program to obtain a census of workplace fatalities was inaugurated in 1991. Another program, to measure both the incidence of injuries and illnesses and the characteristics of the more serious cases, will be introduced in January 1993. Once again, regional offices are working with States to introduce them to the requirements of these new programs.

The role of the regional offices

As the Federal-State programs have changed, the work of the regional staff dedicated to those programs also has evolved. BLS has provided computer-processing systems for all of the Federal-State surveys to those States that want and can use them. Regional staff install the systems and provide continuing assistance on their use. With ongoing improvement and change in these statistical programs, regional offices now give much attention to training. Extensive training is provided to State staffs in the form of coaching. In addition, regional staff serve as instructors in formal courses that have been developed to train both State and BLS staffs on the technical aspects of the Federal-State programs. A variety of approaches to improving quality requires major commitments of staff time. The quickened pace of methodological change challenges regional offices to provide the leadership to maintain effective operations in a decentralized system. Competent administration of the cooperative agreements between BLS and the

States by the regional offices is essential to the effective, equitable functioning of the Federal-State system.

Over the years, the regional offices have nourished the cooperative relationship between the States and BLS. They have been influential in molding the Federal-State operational structure in both its formal and informal aspects. Until BLS established regional offices, the working arrangements with States never developed into a complete, functional system for operating major statistical programs. The regional offices continue to occupy a key role in the evolution of the Bureau's Federal-State programs. □

Footnotes

[1] Joseph P. Goldberg and William T. Moye, *The First Hundred Years of the Bureau of Labor Statistics*, Bulletin 2235 (Bureau of Labor Statistics, September 1985), p. 14.

[2] "Unemployment conditions and relief," *Monthly Labor Review*, December 1928, p. 40.

[3] Goldberg and Moye, *The First Hundred Years*, p. 164.

[4] Dudley E. Young, *Cooperative Federal-State Statistical Programs—Past, Present, and Future*, unpublished (Bureau of Labor Statistics, December 1962), p. 23.

[5] *Activities of the Bureau of Labor Statistics in World War II*, Historical Reports of War Administration, No. 1 (Bureau of Labor Statistics, June 1947), pp. 14–15.

[6] Goldberg and Moye, *The First Hundred Years*, p. 187.

[7] *Ibid.*, p. 191.

[8] *Tomorrow's Manpower Needs: National Manpower Projections and a Guide to Their Use as a Tool in Developing State and Area Manpower Projections*, Bulletin 1606 (Bureau of Labor Statistics, February 1969).

[9] *Memorandum of Agreement on the Respnsibilities for Conducting Selected Statistical Programs in the Department of Labor and State Agencies*, signed by the Assistant Secretary for Manpower and the Commissioner of Labor Statistics, Washington, DC, October 24, 1972.

Room at the top

'Equal opportunities' in organizations, if it means nothing else to those who introduce the policy, means ending the sexual division of labor. It means breaking down the barriers that prevent horizontal movement by women into nontraditional jobs, and removing those that confine women to the meanest jobs and prevent their vertical progress to different levels and locations in the hierarchy. It says to women, 'There's room at the top.' This is the first item on the agenda of positive action in all organizations. It entails opening access to the organization by fair recruitment practices, supplementary training courses for women; a review of procedures for appraisal and promotion; and ultimately an acknowledgment of the abilities and authority women thus develop, as managers, technologists, professionals.

—Cynthia Cockburn
In the Way of Women: Men's Resistance to Sex Equality in Organizations
(Ithaca, NY, ILR Press, 1991), p. 46.